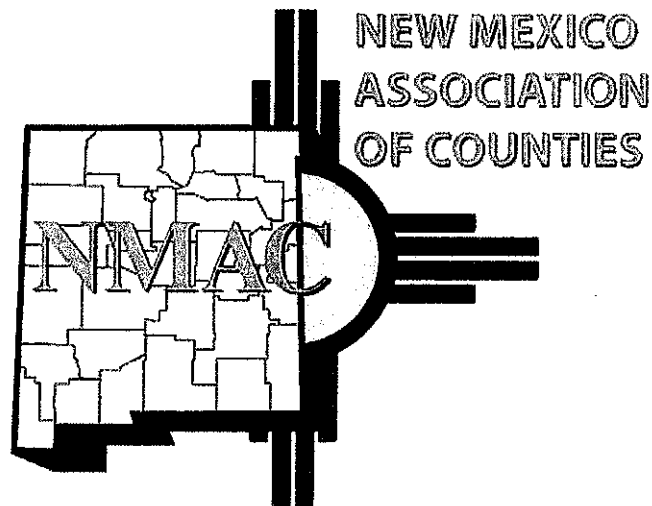


Revenue Stabilization & Tax Policy Committee



**Steven Kopelman
Executive Director**

October 24, 2015

2015 NMAC LEGISLATIVE PRIORITIES

The following were selected as priorities by the NMAC Board of Directors for the 2015 session. They are listed with their originating entity: Affiliate, Policy, or Executive Committee, and are not in numerical order. Tax-related issues are highlighted in yellow.

- **Safety Net Care Pool**

Reinstate sunset clause in SB268 so that counties obligation to fund the Safety Net Care Pool will expire at the end of 2018 to coincide with the expiration of the state Medicaid waiver with CMS. (Health Care Policy Committee)

- **Tax Roll Corrections**

Authorizes the County Treasurer in conjunction with the County Assessor to make changes to the tax schedule and clarifies the authority and reasons necessary for tax schedule changes to correct obvious errors. (Assessors)

- **Delinquent Property Tax Payments**

Authorize County Treasurers to receive all payments of property taxes, including those turned over to the Property Tax Division of the Taxation & Revenue Department for collection and placed on installment agreements. (Treasurers)

- **Job Creation and IRB Act Improvement**

Allow counties to increase economic growth and job creation by expanding the list of eligible projects for an IRB, and remove the authority of the State Board of Finance over complaints of competition with existing businesses. (Managers and Executive Committee)

- **Restore Detention Facilities Funding**

Restore funding for the County Detention Facilities Reimbursement Act to \$5 million. (Detention Administrators)

- **Keep Southwest Chief /Amtrak Service**

Support the continuation of Amtrak's SW Chief, and create reasonable funding alternatives. (Commissioners)

- **Public Lands Task Force (Memorial)**

Create a task force to evaluate state and county dependence on federal revenue, conduct an inventory of federal land ownership within the state, and study the legal, economic and practical impact of a potential transfer of certain public lands from the federal government. (Public Lands & Natural Resources Policy Committee)

- **Inmate Options (Memorial)**

Study housing options and service delivery for detention inmates with special medical and mental health needs. (Commissioners)

NEW MEXICO ASSOCIATION OF COUNTIES
SAFETY NET CARE POOL FUNDING
(HEALTH CARE POLICY COMMITTEE)

WHEREAS, The 2014 Legislature passed and the Governor signed SB 268, which included a three-year sunset that was intended to allow a pilot period and subsequent reassessment of funding for the new State Safety Net Care Pool (SNCP); and

WHEREAS, counties want time to assess the full impact of the Affordable Care Act and Medicaid expansion; and

WHEREAS, the Governor line-item vetoed some provisions of the bill, striking the three-year sunset clause, making county contributions to the SNCP a mandate in perpetuity, thereby significantly increasing that appropriation; and

WHEREAS, on August 7, 2014 the Board of Directors approved the resolution on SB 268 Hospital Funding as a priority, which among other things proposed to remove the county responsibility to fund the SNCP; and

WHEREAS, the Board of Directors now approves a long term goal to remove the county responsibility to fund the SNCP and substitutes the October 17, 2014 resolution for the August 7, 2014 resolution on SNCP funding for the 2015 legislation set forth herein.

NOW THEREFORE BE IT RESOLVED that the New Mexico Association of Counties support legislation as an NMAC 2015 priority, that would restore the sunset on the mandated county funding of the Safety Net Care Pool and with an extra year to coincide with the expiration of the Medicaid waiver through 2018.

Signed _____



NMAC President

Date 10/17/2014

NEW MEXICO ASSOCIATION OF COUNTIES

TAX ROLL CORRECTIONS

(ASSESSORS AFFILIATE)

WHEREAS, According to NMSA 1978, the County Treasurer has sole authority to make changes to the "Tax Schedule" after the County Assessor has delivered the tax schedule to the Treasurer, and;

WHEREAS, tax schedule changes most often arise due to valuation related errors identified and Initiated by the Assessor's Office; and

WHEREAS, the majority of tax schedule changes must be processed first through the Assessor's database thus requiring the Assessor to share in the responsibility of tax schedule changes; and

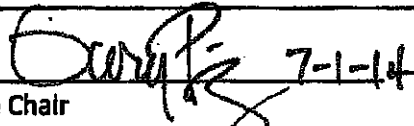
WHEREAS, the Assessor is not named in NMSA 7-38-77 as having authority in correcting the tax schedule; and

WHEREAS, tax schedule corrections are a remedy for correcting errors made by the Assessor's and/ or the Treasurer's office and ultimately benefit the property owner; and

WHEREAS, clarification is needed to define which errors are allowed to be corrected in the tax schedule under mutual agreement by the Assessor and Treasurer; and

NOW THEREFORE BE IT RESOLVED THAT the New Mexico Association of Counties support legislation that will change NMSA 7-38-77 and NMSA 7-38-78 to clarify the authority and reasons necessary for tax schedule changes.

Signed
Affiliate Chair

 7-1-14

NEW MEXICO ASSOCIATION OF COUNTIES
DELINQUENT PROPERTY TAX PAYMENTS
(TREASURERS AFFILIATE)

WHEREAS, NMSA 7-38-62 instills the responsibility and exclusive authority on the Tax and Revenue Department to collect delinquent taxes showing on the tax delinquency list; AND;

WHEREAS, PTD enters into Installment Agreements with delinquent tax payers as a means to collect those taxes; AND

WHEREAS, NM County Treasurers acknowledge the tracking of payments, the filing of injunctions or liens related to missed payments, and the enforcement of installment agreements, is a function that should remain under the authority, control, and within the jurisdiction of the Property Tax Division and the Legal Service Bureau of the Tax and Revenue Department; AND

WHEREAS, payments by delinquent taxpayers to the PTD creates an unnecessary, confusing and inefficient third tier of government to which taxpayers are required to make payments; AND

WHEREAS, the public's right to have updated and accurate information at the local level is compromised by the payment by delinquent tax payers to the state level where it is retained and not distributed for up to three years; AND

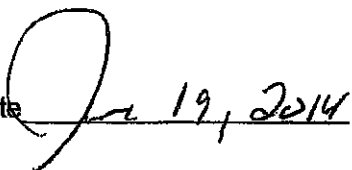
WHEREAS, county treasurers are equipped with resources, policies, and procedures already in place by which they are able to distribute payments received on behalf of Property Tax Division to them on a monthly basis, enabling the department to perform the necessary enforcement, negotiation, and tracking of all installment agreements;

NOW THEREFORE BE IT RESOLVED that the New Mexico Association of Counties supports legislation that would amend State Statute 7-38-62 to authorize County Treasurers to receive all payments of property taxes, including for those properties that have been turned over to the Property Tax Division for collection and been placed on installment agreements..

Signed


Patrick Varela, Affiliate Chair

Date


June 19, 2014

**NEW MEXICO ASSOCIATION OF COUNTIES
JOB CREATION & IRB ACT IMPROVEMENT
MANAGERS & EXECUTIVE COMMITTEE**

I. What are Industrial Revenue Bonds (IRBs)?

- a. Government securities issued on behalf of private sector businesses to support a project
 - i. Resource for public entities to promote economic development, job creation or retention, housing and recruit of new businesses
 - ii. Method of subsidizing private business through the issuance of bonds
 - iii. Entities which use IRBs include state and local governments, including county and municipal, and independent authorities, such as economic development corporations
- b. IRBs issued through public entities offer several benefits
 - i. Tax benefits
 - 1. Interest paid on these bonds are exempt from state and federal income tax
 - 2. Projects are eligible for property tax abatement
 - 3. Projects are eligible for limited relief of gross receipts tax and/or compensating tax
 - ii. This type of financing generally offers lower interest rates and mature in longer time periods than traditional bank loans
 - iii. IRBs are a tool for public entities to offer incentives to become more competitive for economic development purposes

II. Eligible Projects

- a. The County Industrial Revenue Bond Act identifies a variety of eligible projects
 - i. Manufacturing, processing or assembling of any agricultural or manufactured product
 - ii. Any enterprise in storing, warehousing, distributing or selling products of agriculture, mining or industry
 - iii. Businesses involving the supply of services
 - iv. Certain electrical generating plants
- b. Eligible expenses for eligible projects include headquarter office buildings, warehouses, manufacturing facilities, service-oriented facilities (not retail), a 501©3 non-profit organization and various associated expenses
- c. The maximum amount of bonds that may be issued or outstanding for a project is \$10 million, and total capital expenditures for the project cannot exceed \$20 million

III. Competitor Protest

- a. Representatives of existing entities also within the county boundaries or within five miles of the proposed project can protest the issuance of an IRB to a competitor if the proposed project would directly and substantially compete with the entity
 - i. Bonds shall not be issued until the state board of finance determines this conflict would not occur
 - ii. Only counties are subject to this rule; municipalities are not

IV. Proposed Resolution

- a. Currently,
 - i. Many projects exist which can contribute to economic development and job growth but do not qualify for a county-issued IRB, such as the extractive phase of mining or housing development
 - ii. Projects which qualify for IRBs are eligible for property tax abatement as well as limited relief of gross receipts tax and/or compensating tax
 - iii. "Ingredients of Construction" associated with IRB projects are excluded from Gross Receipts or Compensating Tax relief
 - iv. Rural cities and counties in New Mexico are limited to other existing incentive options to increase local housing inventory to provide needed housing for their skilled workforce
- b. New Mexico counties support the following changes
 - i. Counties and cities in the State of New Mexico prefer to have a more significant role in determining what projects may qualify for an IRB and the extent of the tax relief offered
 - ii. The New Mexico Association of Counties supports legislation to expand the list of eligible projects for an IRB to include housing development, the extractive phase of mining and energy development
 - iii. The New Mexico Association of Counties supports legislation that would permit the "ingredients of construction," including construction material, labor and associated professional services and contracting, receive relief from all Gross Receipts or Compensating Tax at the county's discretion